

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re Lexington Precision Corporation and Lexington Rubber Group, Inc
Debtor

Case No. 08-11153 & 08-11156
Reporting Period: March 2009

Federal Tax I.D. # 22-1830121 & 13-3525759

CORPORATE MONTHLY OPERATING REPORT – March 2009

File with the Court and submit a copy to the United States Trustee within 20 days after the end of the month and submit a copy of the report to any official committee appointed in the case.

(Reports for Rochester and Buffalo Divisions of Western District of New York are due 15 days after the end of the month, as are the reports for Southern District of New York.)

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	<u>MOR-1</u>	Yes	Waived**
Bank Reconciliation (or copies of debtor's bank reconciliations)	<u>MOR-1 (CON'T)</u>	No	Waived**
Copies of bank statements		No	Waived**
Cash disbursements journals		No	Waived**
Statement of Operations	<u>MOR-2</u>	Yes	Consolidated Statement of Operations
Reorganization items paid	<u>MOR-2 (Cont.)</u>	Yes	No explanation necessary.
Balance Sheet	<u>MOR-3</u>	Yes	Consolidated Statement of Operations
Status of Post-petition Taxes	<u>MOR-4</u>	Yes	No explanation necessary.
Copies of IRS Form 6123 or payment receipt		No	Waived**
Copies of tax returns filed during reporting period		No	Waived**
Summary of Unpaid Post-petition Debts	<u>MOR-4</u>	Yes	No explanation necessary.
Listing of Aged Accounts Payable		No	All post-petition accounts payable are current.
Accounts Receivable Reconciliation and Aging	<u>MOR-5</u>	Yes	No explanation necessary.
Taxes Reconciliation and Aging	<u>MOR-5</u>	Yes	No explanation necessary.
Payments to Insiders and Professional	<u>MOR-6</u>	Yes	No explanation necessary.
Post Petition Status of Secured Notes	<u>MOR-6</u>	Yes	No explanation necessary.
Debtor Questionnaire	<u>MOR-7</u>	Yes	No explanation necessary.

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Authorized Individual*

Date April 29, 2009

Printed Name of Authorized Individual Dennis J. Welhouse

Date April 29, 2009

Senior vice President and CFO

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

** Inclusion of this and certain other information has been waived per discussions with Official Creditors' Committee and the Office of the United States Trustee.

In re Lexington Precision Corporation
DebtorCase No. 08-11153
Reporting Period: March 2009**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

ACCOUNT NUMBER (LAST 4)	BANK ACCOUNTS				CURRENT MONTH ACTUAL (TOTAL OF ALL ACCOUNTS)
	OPER	PAYROLL	TAX	OTHER	
CASH BEGINNING OF MONTH					
RECEIPTS					
ACCOUNTS RECEIVABLE					400,623.13
DIP LOANS					-
OTHER: Premier Tool and Die					26,590.00
OTHER: Miscellaneous Receipts					31,992.11
TOTAL RECEIPTS					459,205.24
DISBURSEMENTS					
NET PAYROLL					
PAYROLL TAXES					
SALES, USE, & OTHER TAXES					
INVENTORY PURCHASES					
SECURED/ RENTAL/ LEASES					
INSURANCE					
ADMINISTRATIVE					
SELLING					
OTHER (ATTACH LIST)					
OWNER DRAW *					
TRANSFERS (TO DIP ACCTS)					
PROFESSIONAL FEES					
U.S. TRUSTEE QUARTERLY FEES					
COURT COSTS					
TOTAL DISBURSEMENTS					1,641,450.30
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)					
CASH - END OF MONTH					

* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

TOTAL DISBURSEMENTS	\$1,641,450.30
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	\$0.00
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	\$0.00
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	\$1,641,450.30

In re Lexington Rubber Group, Inc.
DebtorCase No. 08-11156
Reporting Period: March 2009**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

ACCOUNT NUMBER (LAST 4)	BANK ACCOUNTS				CURRENT MONTH ACTUAL (TOTAL OF ALL ACCOUNTS)
	OPER	PAYROLL	TAX	OTHER	
CASH BEGINNING OF MONTH					
RECEIPTS					
ACCOUNTS RECEIVABLE					3,961,735.77
DIP LOANS					-
OTHER: Cobra					-
OTHER: Miscellaneous Receipts					18,178.08
TOTAL RECEIPTS					3,979,913.85
DISBURSEMENTS					
NET PAYROLL					
PAYROLL TAXES					
SALES, USE, & OTHER TAXES					
INVENTORY PURCHASES					
SECURED/ RENTAL/ LEASES					
INSURANCE					
ADMINISTRATIVE					
SELLING					
OTHER (ATTACH LIST)					
OWNER DRAW *					
TRANSFERS (TO DIP ACCTS)					
PROFESSIONAL FEES					
U.S. TRUSTEE QUARTERLY FEES					
COURT COSTS					
TOTAL DISBURSEMENTS					3,233,807.18
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)					
CASH - END OF MONTH					

* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

TOTAL DISBURSEMENTS	\$3,233,807.18
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	\$0.00
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	\$0.00
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	\$3,233,807.18

LEXINGTON PRECISION CORPORATION – CONSOLIDATED

March 2009

CONSOLIDATED STATEMENTS OF EARNINGS

MONTH

in thousands of dollars

Case no's 08-11153 & 08-11156

	MONTH	
	Actual	
Gross sales	5,154	101.2 %
Returns	50	1.0
Discounts & allowances	13	0.3
Net sales	5,091	100.0
Cost of sales:		
Material cost	1,857	36.5
Direct labor	398	7.8
Factory overhead	2,389	46.9
Total	4,644	91.2
Gross profit	447	8.8
Selling, general & admin. expense:		
Marketing & sales	107	2.1
General & administrative (1)	826	16.2
Total	933	18.3
Operating profit	(486)	(9.5)
Nonoperating expense (income):		
Interest expense (2)(3)	641	12.6
Interest (income)	(4)	(0.1)
Total	637	12.5
Earnings (loss) before taxes	(1,123)	(22.1)
Income taxes	1	0.0
Earnings (loss) from continuing operations	(1,124)	(22.1)
Income (loss) from discontinued operations	(12)	(0.2)
Net income (loss)	(1,136)	(22.3) %

EBITDA:

Operating Profit	(486)	(9.5) %
Depreciation	378	7.4
Amortization (operating only)	13	0.3
EBITDA	(95)	(1.9) %

Other Data & Statistics:

Average number of employees (#)	468	NA
Sales per employee (\$)	131	NA

- (1) Includes \$384,000 of expenses that are classified as reorganization items pursuant to SOP 90-7.
(2) Excludes interest expense of \$14,000 allocated to discontinued operations for the months of March 2009.
(3) Includes \$117,000 of interest on missed interest payments for the holders of the Company's unsecured debt and \$34,000 of interest for the holders of the Company's DIP loan during March 2009.

In re Lexington Precision Corporation - Consolidated
Debtor

Case No. 08-11153 & 08-11156
Reporting Period: March 2009

REORGANIZATION ITEMS		
Professional Fees		
Stout Risius Ross, Inc.	40,261.49	
Andrews Kurth		
Weil, Gotshal & Manges LLP		
W. Y. Campbell & Company	125,842.05	
Nixon Peabody		
U. S. Trustee Quarterly Fees - LRG		
U. S. Trustee Quarterly Fees - LPC		
Interest Paid to Lexington on Accumulated Cash from Chapter 11 - DIP Cash (see continuation sheet)	4,231.90	
Interest Paid to Lexington on Accumulated Cash from Chapter 11 - Operating Cash (see continuation sheet)		
Gain (Loss) from Sale of Equipment		
Other Reorganization Expenses (attach schedule)		
DIP Interest	34,444.45	
CapitalSource Reimbursement	31,449.78	
Epiq Bankruptcy Solutions, LLC	9,959.07	
Intralinks, Inc.	1,197.50	
AccuVal Associates, Inc.		
Total Reorganization Expenses		
Income Taxes		
Net Profit (Loss)		

**Insider" is defined in 11 U.S.C. Section 101(31).

BREAKDOWN OF "OTHER" CATEGORY

OTHER COSTS

OTHER OPERATIONAL EXPENSES

OTHER INCOME

OTHER EXPENSES

OTHER REORGANIZATION EXPENSES

Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:

Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the bankruptcy proceeding, should be reported as a reorganization item.

LEXINGTON PRECISION CORPORATION – CONSOLIDATED

March 2009

CONSOLIDATED BALANCE SHEETS

in thousands of dollars

Case no's 08-11153 & 08-11156

<u>ASSETS</u>	<u>Actual</u>
Current assets:	
Cash	3,657
Marketable securities	59
Accounts receivable	7,695
Inventories	10,406
Prepaid expenses and other current assets	2,327
Deferred income taxes	—
Current assets of discontinued operations	18
Total current assets	<u>24,162</u>
Plant & equipment	
Land	2,276
Buildings	13,386
Machinery & equipment	<u>112,566</u>
	128,228
Accumulated depreciation	<u>110,360</u>
Plant & equipment, net	<u>17,868</u>
Plant & equipment of discontinued operations, net	1,204
Goodwill	7,623
Deferred financing expenses	—
Other assets	<u>590</u>
	<u>51,447</u>

LIABILITIES & SHAREHOLDERS' DEFICIT

Current liabilities:	
Accounts payable	8,633 (1)
Accrued income taxes	13
Accrued interest expense	14,787
Accrued operating expenses	4,544 (2)
Short-term debt	18,219 (3)
Current portion of LTD	54,347
Current liabilities of discontinued operations	<u>324</u>
Total current liabilities	<u>100,867</u>
Long-term debt, net of current portion	—
Long-term portion of post-retirement obligation	245
Other long term liabilities	134
Deferred income taxes	—
Shareholders' deficit:	
Common stock	1,245
Add'l paid-in-capital	13,197
Accumulated deficit	(64,086)
Accumulated other comprehensive loss	<u>(155)</u>
Total shareholders' deficit	<u>(49,799)</u>
	<u>51,447</u>

- (1) As of March 31, 2009, accounts payable and current liabilities of discontinued operations include prepetition accounts payable in the amount of approximately \$5,432,000 and \$174,000 respectively. Accounts payable includes \$1,073,000 of billings from attorneys, investment advisors, and other fees and expenses incurred in connection with the Company's filing under chapter 11 of the Bankruptcy Code.
- (2) As of March 31, 2009, accrued expenses includes \$706,000 of fees and expenses accrued in connection with the Company's filing under chapter 11.
- (3) Includes revolving line of credit in the amount of \$14,219,000 and the DIP loan in the amount of \$4,000,000.

March 2009									
	3/4	3/6	3/11	3/12	3/18	3/19	3/25	3/30	Totals
Federal									
FICA - Employee	2,580.61	13,134.34	2,006.23	33,219.00	1,889.36	14,398.13	2,524.40	14,999.82	19,632.79
FICA - Employer	2,580.57	13,134.38	2,006.26	33,219.00	1,889.36	14,398.15	2,524.44	14,999.80	19,632.74
Unemployment	268.26	1,097.15	193.82	1,252.78	175.61	997.84	239.62	873.32	77.87
Income	3,592.89	12,504.88	2,692.46	42,332.24	1,681.59	11,524.00	2,986.30	12,107.99	26,520.03
Other:	-	-	-	-	-	-	-	-	-
Total Federal Taxes	9,012.33	39,870.75	6,868.77	110,023.02	5,795.92	41,318.12	8,274.76	42,980.93	65,863.43
State and Local									
GA - Georgia									
Withholding	-	2,668.82	-	6,299.34	-	3,282.24	-	3,324.72	3,302.33
Unemployment	-	4,310.54	-	5,407.68	-	4,557.60	-	4,349.63	173.37
Real Property	-	-	-	-	-	-	-	-	-
Other:	-	-	-	-	-	-	-	-	-
NY - New York									
Withholding	-	1,230.31	-	2,865.57	-	1,505.44	-	1,488.88	1,630.64
Unemployment	-	3,565.63	-	4,397.94	-	4,162.77	-	2,968.71	754.16
Real Property	-	-	-	-	-	-	-	-	-
Other: DI	-	-	-	-	-	-	-	-	-
OH - Ohio									
Withholding	952.54	404.07	678.82	3,640.09	594.38	410.69	776.57	442.68	3,495.89
Unemployment	2,865.39	396.30	6,641.39	9,013.04	2,108.29	404.83	2,733.35	143.86	608.21
Real Property	-	-	-	-	-	-	-	-	-
Other:	-	-	-	-	-	-	-	-	-
PA - Pennsylvania									
Withholding	30.56	-	31.01	-	-	30.78	117.66	-	210.01
Unemployment	-	-	-	-	-	-	-	-	-
Real Property	-	-	-	-	-	-	-	-	-
Other:	-	-	-	-	-	-	-	-	-
SC - South Carolina									
Withholding	-	2,006.77	-	4,270.97	-	1,972.40	-	2,263.86	2,368.10
Unemployment	-	1,431.56	-	1,332.78	-	995.72	-	820.46	59.90
Real Property	-	-	-	-	-	-	-	-	-
Other:	-	-	-	-	-	-	-	-	-
MA - Massachusetts									
Withholding	-	-	-	217.20	-	-	-	-	149.02
Unemployment	-	-	-	6.32	-	-	-	-	6.32
Real Property	-	-	-	-	-	-	-	-	-
Other:	-	-	-	-	-	-	-	-	-
AK - Akron City, OH									
BR - Brewster VLG, OH	-	16.29	-	16.29	-	16.29	-	16.61	65.48
CA - Canton City, OH	-	12.66	-	11.85	-	12.54	-	15.64	52.69
CO - Columbiana, OH	-	-	-	-	-	-	7.88	-	7.88
CS - Col SD, OH	-	-	-	-	-	-	7.37	-	7.37
GI - Girard City, OH	-	-	-	-	-	-	-	-	-
GR - Green City, OH	-	-	-	43.75	-	-	-	43.75	87.50
HU - Hubbard City, OH	-	-	-	-	-	-	-	-	-
MD - McDonald Vill, OH	-	-	-	32.50	-	-	-	32.50	65.00
NC - No Canton CI, OH	-	-	-	47.37	-	-	-	37.52	84.89
NF - New Franklin, OH	-	-	-	7.24	-	7.38	-	25.29	47.36
NI - Niles City, OH	62.11	7.45	17.54	89.53	17.54	-	-	89.53	295.43
NP - New Philadel, OH	-	-	-	21.61	-	-	-	-	43.22
PP - Pepper Pike	-	-	-	73.86	-	-	-	-	21.19
PY - Pymatuning T, PA	-	-	-	-	-	-	-	-	145.67
SH - Sharon City, PA	5.99	-	5.73	-	5.66	10.21	-	-	18.04
SL - Springfield LS, OH	4.37	-	4.37	-	4.37	5.73	-	-	17.36
ST - Sharpsville, PA	-	-	-	-	-	-	-	-	-
SW - Warren City, OH	-	-	-	-	31.99	17.36	-	-	31.99
WA - Warren City, OH	-	-	-	-	-	-	-	-	-
YT - Youngstown C, OH	100.06	-	65.12	-	-	-	67.27	-	290.90
Total State and Local	3,420.62	16,070.40	7,443.88	37,994.93	2,851.46	17,327.90	3,762.59	15,950.34	117,563.55
Total Payroll Taxes	12,432.95	55,941.15	14,332.75	148,017.95	8,647.38	58,646.02	12,037.34	58,931.27	447,591.58
Non-Payroll Taxes									
Georgia Dept of Revenue Sales and Use Tax - February 2009	-	-	685.04	-	-	798.02	-	-	685.04
New York Sales and Use Tax - January through March 2009	-	-	-	-	-	-	-	-	796.02
Total Non Payroll Taxes	-	-	685.04	-	-	798.02	-	-	1,485.06
Total Taxes	12,432.95	55,941.15	15,017.79	148,017.95	8,647.38	59,444.04	12,037.34	58,631.27	448,074.64
MOR - 4 (t)									

SUMMARY OF UNPAID POST-PETITION DEBTS

Attach aged listing of accounts payable.

	Number of Days Past Due					Total
	Current	0-30	31-60	61-90	Over 91	
Accounts Payable						
Wages Payable						
Taxes Payable						
Rent/Leases-						
Rent/Leases-						
Secured						
Professional Fees						
Amounts Due to Insiders						
Other-						
Other-						
Total Post-petition Debts						

There are no unpaid post petition debts. All debts are either paid or within credit terms.

MOR - 4 (2)

In re Lexington Precision Corporation - Consolidated
Debtor

Case No. 08-11153 & 08-11156
Reporting Period: March 2009

ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	7,772,089.26
Plus: Amounts billed during the period	5,078,289.21
Less: Amounts collected during the period	4,366,283.60
Less: Miscellaneous adjustments	9,866.73
Total Accounts Receivable at the end of the reporting period	8,474,228.14

Accounts Receivable Aging	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old	5,075,929.94	-	-	-	5,075,929.94
31 - 60 days old	-	1,864,233.12	-	-	1,864,233.12
61 - 90 days old	-	-	568,705.89	-	568,705.89
91+ days old	-	-	-	965,359.19	965,359.19
Total Accounts Receivable	5,075,929.94	1,864,233.12	568,705.89	965,359.19	8,474,228.14
Less: Bad Debts (Amount considered uncollectible)	-	-	-	-	877,000.00
Plus: Accrual adjustment	-	-	-	-	9,000.00
Net Accounts Receivable	-	-	-	-	7,606,228.14

TAXES RECONCILIATION AND AGING

Taxes Payable	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old					
31 - 60 days old					
61 - 90 days old					
91+ days old					
Total Taxes Payable					
Total Accounts Payable					

All taxes are current.

Case No. 08-11153 & 08-11156
Reporting Period: March 2009

In re Lexington Precision Corporation - Consolidated
Debtor

DEBTOR QUESTIONNAIRE

	Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.	Yes	No
1	Have any assets been sold or transferred outside the normal course of business this reporting period?		X
2	Have any funds been disbursed from any account other than a debtor in possession account this reporting period?		X
3	Is the Debtor delinquent in the timely filing of any post-petition tax returns?		X
4	Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?	X (To date, standard end of term (June 30, 2008) non-renewal notices.)	
5	Is the Debtor delinquent in paying any insurance premium payment?		X
6	Have any payments been made on pre-petition liabilities this reporting period?		X
7	Are any post petition receivables (accounts, notes or loans) due from related parties?		X
8	Are any post petition payroll taxes past due?		X
9	Are any post petition State or Federal income taxes past due?		X
10	Are any post petition real estate taxes past due?		X
11	Are any other post petition taxes past due?		X
12	Have any pre-petition taxes been paid during this reporting period?		X
13	Are any amounts owed to post petition creditors delinquent?		X
14	Are any wage payments past due?		X
15	Have any post petition loans been received by the Debtor from any party?		X
16	Is the Debtor delinquent in paying any U.S. Trustee fees?		X
17	Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?		X
18	Have the owners or shareholders received any compensation outside of the normal course of business?	Yes	See footnote (1)

(1) Michael A. Lubin, Chairman of the Board, and William B. Conner, a Director of the Company, received DIP interest during March 2009 in the amounts of \$15,555.56 and \$11,666.67, respectively.